

## A015 Self Insurance

In 1971, the Legislature created the self-insurance option for the provision of workers' compensation benefits to injured workers. The legislation allowed employers with the financial resources to assume responsibility for their own claims administration. The legislation became effective January 1, 1972. Today 382 employers and 800,000 workers are covered by self-insurance. Their employees represent approximately one-third of Washington's workforce. The workers of self-insured employers are entitled to the same rights and benefits as those workers insured by the state fund managed by the Department of Labor and Industries. The Self Insurance Section adjudicates workers appeals so that workers of self-insured employers receive the workers' compensation benefits to which they are entitled.

Self-insured employers pay quarterly assessments to the department for the services that employers and workers receive. In addition, there are assessments made to fund the second injury fund, supplemental pension fund, asbestos fund, and insolvency trust. Assessments are based upon the claim expenditures of the individual self-insured employer and the hours worked by its employees. The department collects approximately \$122 million annually in assessments from self-insurers.

	FY 2006	FY 2007	Biennial Total
FTE's	82.4	81.4	81.9
GFS	\$0	\$0	\$0
Other	\$6,570,888	\$6,716,726	\$13,287,614
Total	\$6,570,888	\$6,716,726	\$13,287,614

### Statewide Result Area: Improve the quality and productivity of our workforce

#### Expected Results

Completing financial reviews and compliance audits of self-insured employers. Collecting all assessments due the department. Ensuring timely benefit delivery to workers of defaulting self-insurers. Providing workers the benefits to which they are entitled by monitoring the self insurer's actions and intervening when necessary, including resolution of disputes and adjudication of benefits. The self-insurance claims adjudication staff review 5,700 requests for claim denial and 2,900 requests for claim reopening. Vocational rehabilitation consultants complete approximately 4,200 vocational reviews. The self-insurance claims consultants make determinations on 5,900 protests and 2,900 appeals. Responding to 46,000 phone inquiries annually with more than 47 percent, or nearly 22,000, of those calls coming from workers or their representatives, and 16 percent, or just over 7,000, coming from providers.

Appropriation Period: 2005-07 Activity Version: F2 - 2005-07 Activity Recast

Number of self insured compliance audits completed. Compliance Audits ensure workers employed by self insured receive the rights and benefits to which they are entitled.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	75	0	(75)
	4th Qtr	75	0	(75)
2003-05	8th Qtr	17	26	9
	7th Qtr	17	26	9
	6th Qtr	17	21	4
	5th Qtr	17	50	33

Percentage of unresolved self-insured employer protests that have been pending less than 180 days.				
Biennium	Period	Target	Actual	Variance
2005-07	8th Qtr	8%	0%	(8)%
	4th Qtr	8%	0%	(8)%
2003-05	8th Qtr	9%	8%	(1)%
	7th Qtr	9%	7%	(2)%
	6th Qtr	9%	8%	(1)%
	5th Qtr	9%	7%	(2)%